



USAID
FROM THE AMERICAN PEOPLE

INDONESIA

COUNTRY PROFILE

2006



Construction begins on the Banda Aceh to Meulaboh road in Indonesia.

The road, destroyed by the tsunami in December 2004, is the economic backbone of the region, connecting Aceh Province with the rest of the country.

INDONESIA SNAPSHOT

Date of independence: 1945
Population: 217.6 million*
Annual income per person: \$1,140*
(*World Development Indicators, 2004)

USAID IN INDONESIA

<http://indonesia.usaid.gov>

OVERVIEW

Indonesia, the country with the world's largest Muslim majority, serves as a model in blending a democratic political system with moderate Islamic thought and practice. The Government of Indonesia actively pursues the fight against corruption, is a partner in the global war on terrorism and works hard to provide a better future for its people. As the world's fourth most populous country, with abundant natural resources and access to key shipping lanes, Indonesia is a potentially important trading partner. USAID and its predecessors have worked in Indonesia since 1950. Today, USAID assistance programs focus on basic education, democratic governance, rebuilding after the tsunami, economic growth, health, water, food and the environment. Through targeted technical assistance, USAID programs also support implementation of the Aceh peace accord, which ended 30 years of conflict in Aceh province.



PROGRAMS

INDONESIAN CHILDREN LEARN SKILLS FOR LIFE

Education in Indonesia faces inadequate funding and declining quality. In October 2003, President Bush announced a \$157 million education initiative, which is now working in 1,000 public and private schools throughout Indonesia to improve the quality of basic education. USAID works with communities and local governments to improve school management, train teachers and give youth better life and job skills. To date, USAID has reached over 300,000 students and almost 24,000 administrators and teachers directly, and is expected to reach 9,000 schools by 2010. Local schools have replicated the program, benefiting another 650,000 students. Parental involvement has increased. Teachers, now more accountable, prepare better lesson plans. Students use problem-solving skills rather than rote learning. Student achievement in reading, science and math has improved significantly. Schools are better managed.

PROMOTING DEMOCRATIC GOVERNANCE AND POLITICAL STABILITY

By consolidating democratic reforms in Indonesia, USAID builds effective and accountable governance, mitigates conflict and encourages the participation of all. USAID helps 60 local governments strengthen local legislative processes, engage citizens in government decision-making and improve the delivery of basic services. USAID also supports peace in conflict-affected areas; promotes

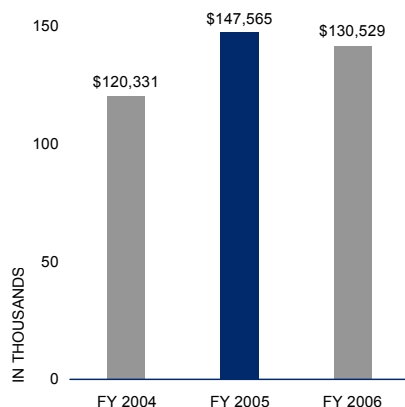


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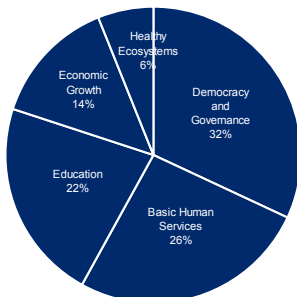
INDONESIA

COUNTRY PROFILE CONTINUED

USAID ASSISTANCE TO INDONESIA



Percent of FY 2006 Budget for Each Area



Democratic & Decentralized Governance: \$36,350,000
Basic Human Services: \$33,371,000
Education: \$31,916,000
Economic Growth: \$21,950,000
Healthy Ecosystems: \$6,942,000

(Funding: Child Survival and Health Funds, Development Assistance and Economic Support Funds)
(Does not include Tsunami Recovery & Reconstruction Funds or PL 480 Title II.)

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judicial reform, community dialogue and religious tolerance; strengthens the capacity of the national parliament; and helps Indonesia reduce trafficking of women and children.

INDONESIA STRENGTHENS ITS ECONOMY

For years, corruption has hampered Indonesia's economy, but recent efforts to combat corruption, enhance financial sector soundness and build a better business climate have paid off. With USAID's assistance, Indonesia was removed from the Financial Action Task Force's monitoring list in 2006. Increased investment in 2005 also spurred the economy, which grew by 5.7 percent, while foreign direct investment in Indonesia rose to \$13.6 billion in 2005 – a 30 percent increase from the previous year. USAID supported the establishment of 15 one-stop service centers for business registration, slashing the time to register a business from 32 days to 13 and cutting costs by two-thirds.

TSUNAMI RECOVERY AND RECONSTRUCTION MOVES AHEAD

Over 600,000 tsunami survivors benefited from U.S. relief assistance, including shelter, food, water and sanitation services, cash-for-work and psycho-social and child protection activities. In cooperation with the Indonesian Government, reconstruction of the Banda Aceh to Meulaboh coastal road is underway, re-establishing a vital economic link. Other reconstruction efforts include empowering communities to plan, map and rebuild their villages, with a focus on restoring livelihoods, particularly for women entrepreneurs. USAID assistance will improve the delivery of critical social services including water, sanitation and health. Other activities include vocational and teacher training, as well as assisting key government officials involved in reconstruction.

DELIVERING QUALITY BASIC HUMAN SERVICES TO COMMUNITIES

One-third of the population does not have clean water, and approximately 100,000 children under five die each year from preventable, poverty-related diseases, like diarrhea. About 307 women die for every 100,000 live births. With responsibility for health, education and other services now at the local level, district governments have to improve the delivery of basic human services. USAID has stepped in to help, with significant results. Fifty-nine percent of mothers giving birth have a doctor or other trained professional assist them with their delivery, a substantial increase from only 43 percent just six years ago. With the resurgence of polio and new threat of avian influenza, USAID has increased efforts on surveillance and eradication. Preventing HIV/AIDS in at-risk populations also continues to be a high priority. In addition to health services, USAID works on protecting watersheds to increase clean water, combating illegal logging and using land wisely.